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Annual report of the International Tribunal for the Law of the Sea for 1999

Presented by the Registrar

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I. Introduction

1. The present report of the International Tribunal for the Law of the Sea is submitted to the Meeting of States Parties under rule 6, paragraph 3 (d), of the Rules of Procedure for Meetings of States Parties. The report covers the period from 1 January to 31 December 1999.

2. The Tribunal was established by the 1982 United Nations Convention on the Law of the Sea (hereinafter "the Convention"). It functions in accordance with the relevant provisions of Part XV and Part XI of the Convention as well as with the Statute (hereinafter "the Statute"), as contained in Annex VI to the Convention, and the Rules of the Tribunal (hereinafter "the Rules").

3. The Tribunal is composed of 21 members, elected by the States Parties to the Convention in the manner provided for by article 4 of the Statute.

4. In accordance with article 5, paragraph 1, of the Statute, the terms of office of seven members first elected on 1 August 1996 expired on 30 September 1999.

5. Up to 30 September 1999, the composition of the Tribunal was as follows:

Order of precedence	*Country*	*Date of expiry of term of office*
President		
Thomas A. Mensah	Ghana	30 September 2005
Vice-President		
Rüdiger Wolfrum	Germany	30 September 1999
Judges		
Lihai Zhao	China	30 September 2002
Hugo Caminos	Argentina	30 September 2002
Vicente Marotta Rangel	Brazil	30 September 1999
Alexander Yankov	Bulgaria	30 September 2002
Soji Yamamoto	Japan	30 September 2005
Anatoly Lazarevich Kolodkin	Russian Federation	30 September 1999
Choon-Ho Park	Republic of Korea	30 September 2005
Paul Bamela Engo	Cameroon	30 September 1999
L. Dolliver M. Nelson	Grenada	30 September 2005
P. Chandrasekhara Rao	India	30 September 1999
Joseph Akl	Lebanon	30 September 1999
David Anderson	United Kingdom	30 September 2005
Budislav Vukas	Croatia	30 September 2005
Joseph Sinde Warioba	United Republic of Tanzania	30 September 1999

Order of precedence	*Country*	*Date of expiry of term of office*
Edward Arthur Laing	Belize	30 September 2002
Tullio Treves	Italy	30 September 2002
Mohamed Mouldi Marsit	Tunisia	30 September 2005
Gudmundur Eiriksson	Iceland	30 September 2002
Tafsir Malick Ndiaye	Senegal	30 September 2002

6. From 1 October 1999, the composition of the Tribunal is as follows:

Order of precedence	*Country*	*Date of expiry of term of office*
President		
P. Chandrasekhara Rao	India	30 September 2008
Vice-President		
L. Dolliver M. Nelson	Grenada	30 September 2005
Judges		
Lihai Zhao	China	30 September 2002
Hugo Caminos	Argentina	30 September 2002
Vicente Marotta Rangel	Brazil	30 September 2008
Alexander Yankov	Bulgaria	30 September 2002
Soji Yamamoto	Japan	30 September 2005
Anatoly Lazarevich Kolodkin	Russian Federation	30 September 2008
Choon-Ho Park	Republic of Korea	30 September 2005
Paul Bamela Engo	Cameroon	30 September 2008
Thomas A. Mensah	Ghana	30 September 2005
Joseph Akl	Lebanon	30 September 2008
David Anderson	United Kingdom	30 September 2005
Budislav Vukas	Croatia	30 September 2005
Rüdiger Wolfrum	Germany	30 September 2008
Edward Arthur Laing	Belize	30 September 2002
Tullio Treves	Italy	30 September 2002
Mohamed Mouldi Marsit	Tunisia	30 September 2005
Gudmundur Eiriksson	Iceland	30 September 2002
Tafsir Malick Ndiaye	Senegal	30 September 2002
José Luis Jesus	Cape Verde	30 September 2008

7. Judge P. Chandrasekhara Rao serves as President of the Tribunal and Judge Dolliver Nelson as Vice-President.

8. The Registrar is Mr. Gritakumar E. Chitty of Sri Lanka and the Deputy Registrar is Mr. Philippe Gautier of Belgium.

II. Organization of the Tribunal

A. Changes in the composition of the Tribunal

9. The Eighth Meeting of States Parties decided that the triennial election of seven members whose terms of office were to expire on 30 September 1999 would be held on 24 May 1999.[1]

10. Acting pursuant to article 4, paragraph 2, of the Statute, the Registrar, in a note verbale dated 24 November 1998, invited Governments of States Parties to the Convention to submit by 17 February 1999 the names of candidates they might wish to nominate for election as members of the Tribunal. A list of all persons nominated, in alphabetical order, with an indication of the States Parties which nominated them, was prepared by the Registrar and circulated to States Parties as document SPLOS/32.[2] The list was submitted to States Parties.

11. On 24 May 1999, the Ninth Meeting of States Parties re-elected Judges Akl, Bamela Engo, Chandrasekhara Rao, Kolodkin, Marotta Rangel, Wolfrum and elected Mr. José Luis Jesus as a Judge, for a nine-year term starting from 1 October 1999.

B. Solemn declaration

12. Pursuant to article 11 of the Statute, every member of the Tribunal is required, before taking up his duties, to make a solemn declaration that he will exercise his powers impartially and conscientiously. The declaration is to be made at the first public sitting at which the member is present.[3]

13. On 1 October 1999, Judge Jesus made the solemn declaration provided for in article 5 of the Rules at a public sitting of the Tribunal. Pursuant to paragraph 3 of that article, re-elected members were not required to make a new declaration.

C. Election of the President and the Vice-President

14. On 1 October 1999, the judges elected Judge P. Chandrasekhara Rao as President of the Tribunal. The President entered upon his functions forthwith. On 4 October 1999, Judge Dolliver Nelson was elected Vice-President. As provided for in article 12 of the Statute, the President and the Vice-President are both elected for a term of three years.

III. Sessions of the Tribunal

15. During the period under review, the Tribunal held two sessions. The seventh session was held from 25 February to 16 April 1999. This session was held in conjunction with the proceedings concerning the *M/V "Saiga" (No. 2)* case. The eighth session was held from 27 September to 8 October 1999 and was devoted to organizational matters.

IV. Chambers

A. Seabed Disputes Chamber

16. The Seabed Disputes Chamber consists of 11 judges selected by the members of the Tribunal from among themselves.[4] The members of the Chamber are selected triennially.

17. Pursuant to the Rules, the terms of office of the members first selected on 20 February 1997 expired on 30 September 1999.[5] The composition of the Chamber was as follows: Judge Akl, President; Judges Zhao, Marotta Rangel, Bamela Engo, Nelson, Chandrasekhara Rao, Anderson, Vukas, Warioba, Treves and Ndiaye, members.

18. During the eighth session, on 4 October 1999, the Tribunal selected the members of the Seabed Disputes Chamber. As required by the Statute, the judges of the Chamber were selected in such a manner as to ensure the representation of the principal legal systems of the world and equitable geographical distribution. The members of the Chamber entered upon their duties forthwith and elected Judge Treves as President of the Chamber. The composition of the Chamber, in order of precedence, is as follows: Judge Treves, President; Judges Zhao, Marotta Rangel, Yamamoto, Kolodkin, Park, Bamela Engo, Vukas, Wolfrum, Laing and Marsit, members.

19. The terms of office of the members of the Chamber expire on 30 September 2002.

B. Special Chambers

1. Chamber of Summary Procedure

20. The Chamber of Summary Procedure was established in accordance with article 15, paragraph 3, of the Statute, and consists of five members and two alternates. In accordance with article 28 of the Rules, the President and the Vice-President of the Tribunal are ex officio members of the Chamber, with the President of the Tribunal serving as President of the Chamber. The Chamber is constituted annually.

21. During the eighth session, on 4 October 1999, the Chamber was constituted for the period ending 30 September 2000. The members of the Chamber, in order of precedence, are as follows: President Chandrasekhara Rao; Vice-President Nelson; Judges Vukas, Eiriksson and Ndiaye, members; Judges Marotta Rangel and Yamamoto, alternates.

2. Chamber for Fisheries Disputes

22. The Chamber for Fisheries Disputes was established in accordance with article 15, paragraph 1, of the Statute and consists of seven members. As decided by the Tribunal, the members of the Chamber are selected for a three-year term.

23. The terms of office of the members of the Chamber, selected on 20 February 1997, expired on 30 September 1999. The composition of the Chamber was as follows: Judge Caminos, President; Judges Yamamoto, Bamela Engo, Chandrasekhara Rao, Anderson, Laing and Eiriksson, members.

24. During the eighth session, on 4 October 1999, the Tribunal selected the members of the Chamber for Fisheries Disputes. The members of the Chamber entered upon their duties forthwith and elected Judge Eiriksson as President of the Chamber. The composition of the Chamber, in order of precedence, is as follows: Judge Eiriksson, President; Judges Caminos, Yamamoto, Kolodkin, Park, Ndiaye and Jesus, members.

25. The terms of office of the members of the Chamber expire on 30 September 2002.

3. Chamber for Marine Environment Disputes

26. The Chamber for Marine Environment Disputes was established in accordance with article 15, paragraph 1, of the Statute and consists of seven members. As decided by the Tribunal, the members of the Chamber for Marine Environment Disputes are selected for a three-year term.

27. The terms of office of the members of the Chamber, selected on 20 February 1997, expired on 30 September 1999. The composition of the Chamber was as follows: Judge Wolfrum, President; Judges Yankov, Yamamoto, Kolodkin, Park, Warioba and Marsit, members.

28. During the eighth session, on 4 October 1999, the Tribunal selected the members of the Chamber for Marine Environment Disputes. The members of the Chamber entered upon their duties forthwith and elected Judge Yankov to be President of the Chamber. The composition of the Chamber, in order of precedence, is as follows: Judge Yankov, President; Judges Marotta Rangel, Bamela Engo, Mensah, Akl, Anderson and Vukas, members.

29. The terms of office of the members of the Chamber expire on 30 September 2002.

V. Committees and working groups

30. During the eighth session, on 4 October 1999, the Tribunal reconstituted its committees for the period ending 30 September 2000.[6]

A. Committee on Budget and Finance

31. The members of the Committee on Budget and Finance selected on 4 October 1999 are as follows: Judge Wolfrum, Chairman; Judges Yankov, Mensah, Akl, Anderson and Jesus, members.

B. Committee on Rules and Judicial Practice

32. The members of the Committee on Rules and Judicial Practice selected on 4 October 1999 are as follows: President Chandrasekhara Rao, Chairman; Vice-President Nelson; Judges Caminos, Yankov, Mensah, Akl, Anderson, Vukas, Laing, Treves (ex officio), Eiriksson and Ndiaye, members.

C. Committee on Staff and Administration

33. The members of the Committee on Staff and Administration selected on 4 October 1999 are as follows: Judge Mensah, Chairman; Judges Yamamoto, Kolodkin, Bamela Engo, Laing, Marsit and Eiriksson, members.

D. Committee on Library and Publications

34. The members of the Committee on Library and Publications selected on 4 October 1999 are as follows: Judge Park, Chairman; Judges Caminos, Marotta Rangel, Anderson, Vukas, Wolfrum, Treves, Marsit and Ndiaye, members.

E. Buildings and electronic systems

1. Working Group on Buildings and Electronic Systems

35. During the seventh session, on 16 April 1999, the Tribunal decided that the Working Group on Buildings and Electronic Systems would be constituted as follows: Judge Laing, Chairman; Judges Wolfrum, Park, Chandrasekhara Rao, Akl and Anderson, members.[7]

2. Committee on Buildings and Electronic Systems

36. During the eighth session, on 4 October 1999, the Tribunal decided that the Working Group on Buildings and Electronic Systems would be established as a new committee of the Tribunal and constituted it as follows: Judge Laing, Chairman; Judges Yankov, Mensah, Akl, Wolfrum, Marsit and Eiriksson, members.

37. The Committee on Buildings and Electronic Systems is to make recommendations to the Tribunal with respect to its permanent premises, especially its electronic systems and services, artworks, information systems and electronic equipment.

VI. Rules of the Tribunal and supplementary documents

A. Rules of the Tribunal

38. During the eighth session, the Tribunal addressed the issue of legal costs for parties appearing before the Tribunal and requested Judge Anderson to present a report for consideration by the Tribunal at its ninth session.

39. During the eighth session, the Tribunal also addressed the question of bonds and other financial securities and requested Judge Laing to present a paper for consideration by the Tribunal at its ninth session.

B. Rules for the preparation of typed and printed texts

40. During the eighth session, the Tribunal requested the Registrar to formulate rules for the preparation of typed and printed texts, as referred to in paragraph 1 of the Guidelines concerning the Preparation and Presentation of Cases before the Tribunal. Pending the adoption of such rules, parties to cases before the Tribunal have been provided with a note on basic requirements for typed, word processed and printed texts.

C. Guidelines concerning Documents

41. During the eighth session, the Tribunal adopted Guidelines concerning Documents (ITLOS/24), the guidelines concern proof-reading of documents and publications of the Tribunal which are to be made available to the public in printed or electronic form.

VII. Privileges and immunities

A. General Agreement

42. The Agreement on the Privileges and Immunities of the International Tribunal for the Law of the Sea adopted by the Seventh Meeting of States Parties on 23 May 1997, was deposited with the Secretary-General of the United Nations and opened for signature at United Nations Headquarters for 24 months from 1 July 1997.[8] The Agreement is subject to ratification or accession

and will enter into force 30 days after the date of deposit of the tenth instrument of ratification or accession. As of 30 June 1999, the closing date for signature, 21 States had signed the Agreement. As of 31 December 1999, two States had ratified it.

B. Headquarters Agreement

43. At its seventh and eighth sessions, President Mensah reported to the Tribunal on the stage of negotiations with the German authorities on the Headquarters Agreement between the International Tribunal for the Law of the Sea and the Federal Republic of Germany. At the end of December 1999, the negotiations on the Headquarters Agreement remained inconclusive.

VIII. Relations with the United Nations and other organizations

A. Observer status with the General Assembly

44. As an observer to the General Assembly of the United Nations, the Tribunal participated in meetings of the General Assembly on matters of relevance for the Tribunal.

45. At the plenary of the fifty-fourth session of the General Assembly, on 22 November 1999, President Chandrasekhara Rao delivered a statement under agenda item 40 (a), "Oceans and the law of the sea: law of the sea".

B. Relationship Agreement with the United Nations

46. At the eighth session, the Registrar reported to the Tribunal on developments regarding the implementation of the Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea, including the issuance of a laissez-passer to judges and staff of the Registry and assistance provided to the Tribunal by the Treaty Section of the Office of Legal Affairs and the Division for Ocean Affairs and the Law of the Sea.

C. Relationship with other organizations and bodies

47. At its seventh session, the Tribunal requested the Registrar to continue discussions with the Secretary-General of the International Seabed Authority with a view to reaching an inter-secretariat agreement concerning exchange of information.

48. The Registrar informed the Tribunal about an inquiry from the International Seabed Authority concerning the possible involvement of the Tribunal in proceedings instituted against staff members of the Authority under article 168, paragraph 3, of the Convention. The Tribunal considered that the Staff Regulations of the International Seabed Authority could provide for the President of the Tribunal, if so requested, to appoint a panel in order to constitute a tribunal to deal with such proceedings.

49. At its eighth session, the Registrar reported to the Tribunal on matters related to the International Seabed Authority and other international organizations. At that session, the Tribunal requested the Registrar to establish working contacts with all international organizations whose activities were relevant to the work of the Tribunal.

IX. Premises of the Tribunal

50. The Tribunal is expected to move to its permanent premises in the first half of 2000.

51. At the eighth session, consideration was given to the inauguration of the permanent premises and practical arrangements to facilitate the move to the new building. The Tribunal decided that the official opening of the new premises would take place either in July 2000, in the event that it could be held in conjunction with a visit of the Secretary-General of the United Nations to Germany, or if that was not possible, in October 2000.

52. During the period under review, the Registrar conducted negotiations with representatives of the Federal Ministry of Justice on an agreement between the Government of Germany and the Tribunal concerning the use and occupancy of the premises of the Tribunal.

X. Judicial work of the Tribunal in 1999

A. The *M/V "Saiga" (No. 2)* case

53. The *M/V "Saiga" (No. 2)* case concerned a dispute between Saint Vincent and the Grenadines and Guinea arising from the arrest and detention of the vessel *Saiga* by Guinean authorities. A Request for the prompt release of the ship and its crew was the subject of the first judgment of the Tribunal dated 4 December 1997.

54. By an exchange of letters dated 20 February 1998, the parties agreed to transfer the arbitration proceedings concerning the *Saiga* instituted by Saint Vincent and the Grenadines to the Tribunal. Written pleadings consisting of a Memorial by Saint Vincent and the Grenadines, a Counter-Memorial by Guinea, a Reply by Saint Vincent and the Grenadines and a Rejoinder by Guinea were submitted to the Tribunal during 1998.

55. Upon the closure of the written proceedings in the case, the President, by an Order of 18 January 1999, fixed 8 March 1999 as the date for the opening of the oral proceedings.

56. Prior to the opening of the oral proceedings, the Tribunal held initial deliberations on 1, 2 and 5 March 1999.

57. The hearing took place in the courtroom at the temporary premises of the Tribunal. Eighteen public sittings to hear the oral arguments of the parties and to present evidence were held, from 8 to 20 March 1999. Final submissions were made by each party at the end of the hearing.

58. On 1 July 1999, the Tribunal delivered its judgment in the *M/V " Saiga" (No. 2)* case.[9]

B. *Southern Bluefin Tuna* cases

59. On 30 July 1999, at 8.38 a.m., a Request for the prescription of provisional measures, pending the constitution of an arbitral tribunal, was filed by facsimile in the Registry of the Tribunal by New Zealand in accordance with article 290, paragraph 5, of the Convention, in a dispute against Japan concerning southern bluefin tuna. The Request was accompanied by a copy of a document dated 15 July 1999, instituting arbitral proceedings against Japan. The Request of New Zealand was entered in the List of cases as case No. 3 and named *Southern Bluefin Tuna Case* (*New Zealand* v. *Japan*), Request for provisional measures.

60. On 30 July 1999, at 2.30 p.m., a Request for the prescription of provisional measures, pending the constitution of an arbitral tribunal, was filed by facsimile in the Registry of the Tribunal by Australia in accordance with article 290, paragraph 5, of the Convention, in a dispute against Japan concerning southern bluefin tuna. The Request was accompanied by a copy of a document dated 15 July 1999, instituting arbitral proceedings against Japan. The Request of Australia was entered in the List of cases as case No. 4 and named *Southern Bluefin Tuna Case (Australia* v. *Japan)*, Request for provisional measures.

61. Japan filed its Statement in Response with the Registry on 9 August 1999.

62. In their Requests, Australia and New Zealand, as parties in the same interest, jointly nominated Mr. Ivan Shearer, AM, as judge ad hoc. Mr. Shearer was admitted to participate in the case as judge ad hoc after having made a solemn declaration at a public sitting of the Tribunal held on 16 August 1999.

63. By separate Orders of 3 August 1999 with respect to each Request, the President fixed 18 August 1999 as the date for the opening of the hearing. By an Order of 16 August 1999, the Tribunal joined the proceedings in the cases.

64. Prior to the opening of the hearing, the Tribunal held initial deliberations on 16 and 17 August 1999.

65. The hearing was held in the courtroom at the temporary premises of the Tribunal. Five public sittings to hear the oral arguments of the parties and to present evidence were held, from 18 to 20 August 1999. Final submissions were made by each party at the end of the hearing.

66. On 27 August 1999, the Tribunal delivered its Order in the case.[10]

XI. Finances

A. Budget

67. The expenses of the Tribunal are borne by the States Parties and by the International Seabed

Authority and other entities, as provided for in article 19 of the Statute. The Meeting of States Parties decided that the contributions by States Parties should be based upon the scale of assessment for the regular budget of the United Nations for the corresponding financial year, adjusted to take account of participation in the Convention.[11]

1. Budget for 2000

68. The budget proposals for 2000, approved by the Tribunal at its seventh session, were submitted to the Ninth Meeting of States Parties. The proposals, involving an amount of $8,705,576, were based on the Tribunal's expected schedule of judicial work, its programme of organizational sessions and the forthcoming move to its permanent premises.

69. The Meeting of States Parties approved a budget for 2000 totalling US$ 7,657,019. The budget provided for recurrent expenditure of $6,672,255, including $1,863,490 for the remuneration of the judges and $3,219,909 for salaries and related costs of staff, and non-recurrent expenditure of $255,400. The Meeting of States Parties also approved $679,364 as a contingency fund to be used in the event of cases being submitted to the Tribunal. The Meeting of States Parties further approved an additional amount of $50,000 for advances to the Working Capital Fund of the Tribunal.[12]

70. The European Community will contribute a sum of $75,000 to the 2000 budget of the Tribunal.[13]

71. At its seventh session, the Tribunal decided to present a request to the Ninth Meeting of States Parties for adjustment of remuneration of the members, as contained in document ITLOS/WP.9 dated 5 March 1999. The revision to the remuneration level of judges in line with the increase in the remuneration of the judges of the International Court of Justice was approved by the Meeting of States Parties for the year 2000.[14]

72. The Meeting of States Parties also decided that a floor rate of 0.01 per cent and a ceiling rate of 25.00 per cent should be used in establishing the scale of assessments for States Parties for the budget of the Tribunal for 2000.[15]

2. Budget proposals for 2001

73. At its eighth session, the Committee on Budget and Finance gave preliminary consideration to the budget for 2001. On the recommendation of the Committee, the Tribunal decided that the Committee would meet prior to the ninth session to prepare the draft budget for 2001.

3. Report on budget performance

74. At the seventh and eighth sessions, the Tribunal considered the budget performance for the 1998 and 1999 periods, respectively, based on reports and projections presented by the Registrar.

B. Status of contributions

75. As of 31 December 1999, 30 States Parties had made their contributions (in the full amount assessed or above) to the 1999 budget, totalling $2,901,395. Partial contributions totalling $3,674,103 had been made by 43 States Parties, leaving a balance of unpaid contributions in respect of those States Parties of $440,864. Payment of assessed contributions in the amount of $506,972 towards the 1999 budget by 59 States Parties was still pending.

76. Furthermore, assessed contributions amounting to $525,454 in respect of the 1996-1997 and 1998 budgets were still pending as of 31 December 1999, resulting in an unpaid balance of assessed contributions to the successive budgets of the Tribunal in the amount of $1,473,290.

77. At the seventh and eighth sessions, the Registrar informed the Tribunal of the financial situation of the Tribunal and the shortfall in the payment of contributions resulting in the non-availability of funds. At the eighth session, the Registrar was requested to take appropriate steps to facilitate the speedy collection of contributions from States Parties.

C. Report of the Auditor for 1999

78. In accordance with the practice of the United Nations system, arrangements were made for the accounts of the Tribunal for 1998 to be audited by an internationally recognized auditing firm. The audit report for the 1998 financial statements of the Tribunal was presented by the Registrar at the eighth session. The auditor, having reviewed the transactions and operations over that period, was satisfied that the financial statements presented fairly, in all material respects, the financial position of the Tribunal, and that

the excess of income over expenditure for the period then ended was in conformity with generally accepted accounting principles and with the Financial Regulations of the United Nations, which were applied *mutatis mutandis*. The report would be submitted to the Tenth Meeting of States Parties (see SPLOS/51).

79. At its eighth session, the Tribunal also authorized the reappointment of the existing auditor for the 1999 financial period. For 2000, the Tribunal agreed that the Registrar would request bids and that on that basis a decision would be taken after consideration of the Financial Regulations of the Tribunal by the Meeting of States Parties.[16]

80. Further to a request by the Ninth Meeting of States Parties, the Tribunal instructed the auditor to deal in future audits with certain issues as identified by the Meeting of States Parties in its report.[17]

D. Financial Regulations

81. The Financial Regulations, approved by the Tribunal on 8 October 1998, were submitted to the Ninth Meeting of States Parties. The Meeting reviewed the Financial Regulations and decided to continue its deliberations on the text at the next (tenth) meeting with a view to its adoption. The Meeting also agreed that any further comments and amendments should be provided in writing to the Secretariat by 30 November 1999.[18]

82. At its eighth session, the Tribunal requested the Budget and Finance Committee to consider the comments made by the Meeting, based on proposals by the Registrar, and to report to the Tribunal.

83. Pending approval of the Financial Regulations of the Tribunal by the Meeting of States Parties, the Financial Regulations and Rules of the United Nations apply *mutatis mutandis*.

E. Trust funds and donations

84. Consideration was given at the seventh session to a trust fund to assist States which might need financial support in bringing or defending cases before the Tribunal. At the eighth session, a report on the subject was presented by Judge Anderson. There was consensus among the members in favour of setting up a trust fund and it was decided that the President would hold consultations on the question inter-sessionally.

XII. Entitlements of judges

A. Pension Scheme for Members of the Tribunal

85. At its meeting of 5 March 1999, the Tribunal approved draft pension scheme regulations for members (ITLOS/20), which were submitted to the Ninth Meeting of States Parties. The Meeting made some modifications to the text and thereafter adopted the Pension Scheme Regulations for Members of the International Tribunal for the Law of the Sea as amended.[19] At its eighth session, the Tribunal gave consideration to implementation of the Pension Scheme for Judges.

B. Other entitlements

86. At its seventh session, the Tribunal approved its policy regarding judges' entitlement to daily subsistence allowance payments. At its eighth session, the Tribunal gave consideration to health insurance coverage for judges.

XIII. Administrative matters

A. Staff Regulations

87. The Staff Regulations of the Tribunal, approved by the Tribunal on 8 October 1998, were submitted to the Ninth Meeting of States Parties. The Meeting took note of the Staff Regulations.

88. Pending the establishment of staff rules by the Registrar, the Staff Rules of the United Nations apply *mutatis mutandis*.

89. At its eighth session, the Tribunal requested the Registrar to inform staff members that the Tribunal attached importance to the early establishment of a Staff Committee. The Tribunal also requested the Registrar to take the necessary steps to establish a Conciliation Committee and to expedite consultations with the Legal Counsel of the United Nations with a view to concluding an Exchange of Letters extending

the jurisdiction of the United Nations Administrative Tribunal to the staff of the Tribunal.

B. Staff movement

90. The Tribunal continued the recruitment process for both Professional and General Service Staff, in accordance with article 35 of the Rules. At the end of 1999, the status of the recruitment process was as follows:

(a) Recruitment completed: Chief of Administration (P-5) and Translator/Reviser (P-4);

(b) Recruitment not yet completed for Systems Administrator/Database Manager (P-3) and Contributions Officer (P-2);

(c) Recruitment for two General Service posts was completed and the recruited staff are now serving on fixed-term contracts.

91. Temporary personnel were recruited to assist the Tribunal in its judicial work concerning the *M/V "Saiga" (No. 2)* case and the *Southern Bluefin Tuna* cases.

C. Instructions for the Registry

92. The Committee on Staff and Administration continued its consideration of draft Instructions for the Registry prepared by the Registrar.

D. Guidelines on the Preparation and Circulation of Documents

93. At its eighth session, based on a proposal by Judge Mensah, the Tribunal on 8 October 1999 adopted Guidelines on the Preparation and Circulation of Documents (ITLOS/23). The guidelines establish procedures for the preparation and circulation of documents presented by the Registrar or judges at sessions of the Tribunal.

E. Internship Programme

94. Based on the United Nations Internship Programme, an Internship Programme of the Tribunal was established in 1997. Since then 17 interns have served a period of internship at the Tribunal.

95. At its eighth session, the Tribunal requested the Registrar to review the procedures for the internship arrangements and to report to the Committee on Staff and Administration at the next session of the Tribunal.

XIV. Building and electronic systems

96. During the period under review, consultations were held with the German authorities to discuss matters pertaining to the future premises, including suggestions for improvements to the new building as regards interpretation facilities, electronic systems and art objects.

97. Upon the invitation of the Supreme Court of Singapore, a delegation of the Tribunal visited Singapore from 12 to 14 May 1999 to examine the use of electronic technology in the administration of justice and electronic dissemination of legal information.

XV. Library facilities

98. During the period under review, a complete evaluation was conducted of the Library's vendors for cost, efficiency and customer service. Based on suggestions from the Committee on Library and Publications, significant numbers of monographs and serial titles were selected and ordered. Gaps in the Library's serial holdings were identified and orders were placed for all available issues. A monthly list of new monographs and serials received in the Library is prepared and circulated to all judges.

99. At its seventh session, the Tribunal expressed its consent to and appreciation for a donation by the Korea Foundation to the Library.

100. A list of donors to the Library is contained in the annex to the present report.

XVI. Publications

101. During the period under review, the first *Yearbook* (1996/1997) and the Basic Texts were published.

102. The Tribunal will also publish, on a regular basis, the *Report of Judgments, Orders and Advisory Opinions* and the *Pleadings, Minutes of Public Sittings and Documents*.

XVII. Public information

103. The Tribunal publicized its work by means of press releases and briefings by the Registry and by distribution of its judgments, orders and publications such as the *Yearbook*. Information about the Tribunal is also presented on the United Nations web site (http://www.un.org/Depts/los). Addresses and publications by the judges also helped to publicize the work of the Tribunal.

XVIII. Moot Court Competition

104. At the seventh session, the Tribunal agreed to a request by the Chairman of the Organizing Committee of the Charles Rousseau International Law Moot Court Competition for the year 2000 to host the final stages of the competition at the permanent premises. It was decided that the final and semi-final rounds of the competition would be held at the premises on 5 and 6 May 2000. The Tribunal agreed that the facilities of the Tribunal and a limited assistance of staff of the Registry would be made available but that no financial support would be provided.

XIX. Future work

105. The Tribunal convened for its ninth session from 6 to 17 March 2000 to deal with its organizational and administrative work.

Notes

[1] SPLOS/31, para. 71.

[2] SPLOS/32.

[3] Rules, article 5.

[4] Statute, article 35.

[5] Rules, article 23.

[6] For the terms of reference of the Committees, see SPLOS/27, paras. 27-40.

[7] SPLOS/35, para. 30.

[8] SPLOS/24, para. 27.

[9] The judgment, pleadings and verbatim records are available on the United Nations web site: http://www.un.org/Depts/los.

[10] The Order of 27 August 1999, pleadings and verbatim records are available on the United Nations web site: http://www.un.org/Depts/los.

[11] SPLOS/31, para. 21, and SPLOS/L.9, para. 5.

[12] SPLOS/48, para. 24.

[13] Ibid., para. 27.

[14] Ibid., paras. 18 and 19.

[15] Ibid., para. 26.

[16] Ibid., para. 29.

[17] Ibid.

[18] Ibid., para. 37.

[19] SPLOS/47.

Annex

List of donors to the Library of the International Tribunal for the Law of the Sea (1999)*

American Society of International Law, Washington, D.C.

Asociación Argentina de Derecho Internacional, Córdoba, Argentina

Professor Robert C. Beckman, Faculty of Law, National University of Singapore

Katrin M. Boldemann, Kiel, Germany

Professor Elisabeth Mann Borgese, International Ocean Institute, Halifax, Canada

Bundesforschungsanstalt für Fischerei, Hamburg, Germany

Bundesamt für Seeschiffahrt und Hydrographie, Hamburg

Centre de Droit Maritime et Océanique, Faculté de Droit et des Sciences Politiques, Université de Nantes, Nantes, France

Centre for Maritime Law, T.C. Beirne School of Law, University of Queensland, Queensland, Australia

Comité Maritime International, Antwerp, Belgium

Susan DeMaio, Oceana Publications, Dobbs Ferry, New York, United States of America

Food and Agriculture Organization of the United Nations, Fisheries Department, Rome

Indian Society of International Law, New Delhi

Institut für Seerecht und Seehandelsrecht der Universität Hamburg

Institute of International and Comparative Law, Faculty of Law, University of Zagreb

Institute of International Public Law and International Relations, Thessaloniki, Greece

Inter-American Court of Human Rights, San José, Costa Rica

International Court of Justice, The Hague

International Tribunal for the Former Yugoslavia, The Hague

International Law Association of Japan, Tokyo

International Seabed Authority, Kingston, Jamaica

Istituto Italo-Latinoamericano, Rome

Korea Foundation, Seoul

Professor Barbara Kwiatkowska, Netherlands Institute for the Law of the Sea, Utrecht, the Netherlands

* This list of donors does not take into account donations from members of the Tribunal and staff of the Registry.

Mare, die Zeitschrift der Meere, Hamburg

Maritime Institute of Malaysia, Kuala Lumpur

Max-Planck-Institut für ausländisches öffentliches Recht und Völkerrecht, Heidelberg, Germany

Office of Ocean Affairs, United States Department of State, Washington, D.C.

Permanent Mission of the Federal Republic of Germany to the United Nations, New York

Raoul Wallenberg Institute of Human Rights and Humanitarian Law, Lund, Sweden

Dr. Renate Platzöder, Stiftung Wissenschaft und Politik, Ebenhausen/Isar, Germany

Seattle University, Law Library, Seattle, United States of America

Professor Ivan A. Shearer, Faculty of Law, University of Sydney, Sydney, Australia

Walther-Schücking-Institut für internationales Recht an der Universität Kiel, Kiel, Germany

Dr. Michael White, Centre for Maritime Law, University of Queensland, Queensland, Australia

United Nations Convention on the Law of the Sea SPLOS/51

Meeting of States Parties

Distr.: General
11 April 2000

Original: English

Tenth meeting
New York, 22-26 May 2000

Report of the External Auditors for the financial year 1998, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 1998

Introductory note

1. The international audit firm of Arthur Andersen was appointed as the external auditor by the Tribunal for the 1998 audit and the examination of the financial statements of the Tribunal as of 31 December 1998. The report of the Auditor for 1998 was completed on 26 April 1999 and was presented to the Tribunal for review at its next session (27 September to 8 October 1999).

2. The Ninth Meeting of States Parties, as recorded in the report of the Ninth Meeting (SPLOS/48, para. 28), requested the Registrar, pending the entry into force of the Financial Regulations of the Tribunal, to present to the Meeting of States Parties every year a preliminary performance report on the use of the budget appropriations for the preceding year and a final performance report on the use of the budget appropriations for the year prior to the preceding year.

3. Consistent with that decision, the report of the External Auditor for the year 1998, the year prior to the preceding financial year, is presented herein. The preliminary performance report of the preceding year (1999) is annexed to the draft budget proposals of the Tribunal for 2001 (see SPLOS/WP.12, annex I).

00-38707 (E) 170500

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THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA

HAMBURG

REPORT ON THE EXAMINATION

OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 1998

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2. Statement of assets, liabilities and excess/net shortfall of income over expenditures

3. Notes to the financial statements

4. Financial report for the financial period 1 January to 31 December 1998

5. Budgetary appropriations compared with expenditures and obligations

6. General Conditions of Assignment including special conditions

To the States Parties to the United Nations Convention on the Law of the Sea:

A. SCOPE OF THE EXAMINATION

We have audited the accompanying statement of assets, liabilities and the excess of income over expenditures of

THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA

HAMBURG

as of December 31, 1998, the statement of income and expenditures for the period then ended and the Notes to the Financial Statements. These financial statements are the responsibility of the Registry of the International Tribunal for the Law of the Sea. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements as of December 31, 1998, and our audit thereon cover a period from January 1, 1998, to December 31, 1998.

The International Tribunal for the Law of the Sea applied generally accepted accounting principles and the Financial Regulations of the United Nations which are applied mutatis mutandis.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Reference is made to the General Terms for "Wirtschaftsprüfer und Wirtschaftsprüfungsgellschaften" dated January 1, 1995 and our Special Conditions (Exhibit 6), in regard to the assignment and our responsibilities, including those to third parties.

B. BUDGET

The Meeting of States Parties, at its Seventh Meeting, by its decision of May 28, 1997, approved and appropriated the amount of US$ 5,767,169 for the International Tribunal for the Law of the Sea for the period from January 1, 1998, to December 31, 1998, as set out in document SPLOS/L.7. In addition, the Meeting of States Parties, at its Eighth Meeting, by its decision of May 21, 1998, approved and appropriated a Supplementary Budget of US$ 356,864, as set out in recurrent SPLOS/L.10, to cover the Budget overrun in the financial period 1996/1997.

The statement of income and expenditure shows an excess of income over expenditure of US$ 838,328.93.

Delays and non payment of contributions caused cash flow problems which combined with the non-occurrence of a case requiring expeditious proceedings resulted in savings in the budget lines: Allowances of Judges, Travel of Judges and Communications. Other factors such as recruitment delays, non completion and non-utilization of the entire temporary premises of the International Tribunal for the Law of the Sea in Hamburg resulted in the savings in the budget lines: Established Posts, Common Staff Costs, Supplies and Materials, Maintenance of Premises as well as Rental and Maintenance of Equipment.

The Budget shows overruns in the budget lines Special Services and Miscellaneous Services due to the inadequate budgetary appropriations for these essential services.

Reference is also made to the Notes to the Financial Statements.

C. OPINION

In our opinion, the financial statements referred to above present fairly. in all material respects, the financial position of The International Tribunal for the Law of the Sea, Hamburg, as of December 31, 1998, and the excess of income over expenditure for the period then ended in conformity with generally accepted accounting principles and with the Financial Regulations of the United Nations which were applied *mutatis mutandis*.

ARTHUR ANDERSEN
Wirtchaftsprüfungsgesellschaft
Steuerberatungsgesellschaft mbH (stamp)

(*Signed*)
WEBER-BRAUN
Wirtschaftsprüferin

(*Signed*)
REESE
Wirtschaftsprüferin

Hamburg, April 26,1999

***

Our prior written approval is required for publication or distribution of the financial statements in a version different from the one reported upon by us if reference is made in such publication or distribution to our opinion or to our examination.

EXHIBIT 1

STATEMENT 1

INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA
STATEMENT OF INCOME AND EXPENDITURES
FOR THE PERIOD FROM 1 JANUARY UNTIL 31 DECEMBER 1998

	1998 US-$	1996/97 US-$
Income		
Assessed contributions	6,124,033.00	6,170,900.00
Miscellaneous income		
Interest income	10,172.34	10,166.01
Currency exchange gains	13,876.04	84,553.78
Release of 1996/97 obligations	7,017.29	0.00
Total income	6,155,098.67	6,265.619.79
Expenditures		
Total expenditures and obligations (Annex 1)	5,316,769.74	6,527,763.91
Excess/Net shortfall of income over expenditures	**838,328.93**	**- 262,144.12**

EXHIBIT 2

STATEMENT 2

INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA
STATEMENT OF ASSETS, LIABILITIES AND EXCESS/NET SHORTFALL OF INCOME OVER EXPENDITURES AS AT 31 DECEMBER 1998

	1998 US-$	1996/97 US-$
Assets		
Cash and term deposits	1,026,905.95	691,400.86
Accounts receivable		
Contributions receivable from States Parties	1,374,073.90	907,567.93
Balances receivable from United Nations	0.00	95,736.59
Tax Reimbursements due	34,474.90	48,010.13
Other accounts receivable	5,628.26	17,335.53
TOTAL ASSETS	**2,441,083.01**	**1,760,051.04**
Liabilities		
Contributions received in advance	375,242.00	910,754.21
Unliquidated obligations - current period	639,694.48	504,957.28
Unliquidated obligations - prior period	2,035.00	0.00
United Nations joint Staff Pension Fund (UNJSPF)	19,638.75	338,047.39
Assessment special account	566,143.85	268,436.28
TOTAL LIABILITIES	**1,602,754.08**	**2,022,195.16**
EXCESS/NET SHORTFALL OF INCOME OVER EXPENDITURES	**838,328.93**	**(262,144.12)**
TOTAL LIABILITIES AND EXCESS/NET SHORTFALL OF INCOME OVER EXPENDITURES	**2,441,083.01**	**1,760,051.04**

EXHIBIT 3
Page 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY UNTIL 31 DECEMBER 1998

Note 1: Statement of the objectives and activities of the Tribunal

1. The International Tribunal for the Law of the Sea (ITLOS) is an independent international judicial body established by the United Nations Convention on the Law of the Sea for the settlement of disputes relating to the uses and resources of the seas. Such disputes may be between the States Parties to the Convention, international organizations and consortia of corporations or individual persons or corporations. The primary objective of the Tribunal is to provide an established global court which is available for disputes that States may submit to it or that the other entities referred to above may submit as appropriate.

Note 2: Summary of significant accounting policies

2. The Tribunal's accounts are maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of the work of the Tribunal. The Meeting of States Parties to the United Nations Convention on the Law of the Sea decided that the Tribunal would use the Financial Regulations of the United Nations with such modifications as may be needed. The ITLOS Financial Regulations have been adopted by the Tribunal and are expected to be approved by the Meeting of States Parties in May 1999. The effective date will be 1 July 1999 and will be applicable for the budget year 2000. The United Nations Financial Regulations and Rules will be in effect until then.

3. The form of presentation of the accounts, comprising two statements and one annex for the financial period ended 31 December 1998, are in line with the formats proposed for use by the agencies of the United Nations system.

Accounting period

4. The current accounting period being reported on is from 1 January to 31 December 1998.

Currency of accounts

5. The accounting unit is the United States dollar. The United Nations operational rates of exchange form the basis for establishing the equivalent in United States dollars of other currencies.

Translation of currencies

6. Differences between the valuation of the currencies when entered into the accounts and when actual transactions are completed are calculated and detailed in these notes as gains or losses on exchange transactions.

7. Periodically, assets and liabilities in currencies other than United States dollars are revalued for accounting purposes at the prevailing United Nations operational rates of exchange. Any variance due to fluctuation of those rates is accounted for as income or loss and shown separately in the statement of income and expenditure.

Income

8. Income consists of assessed contributions from the States Parties. All other income received by the Tribunal is classified as miscellaneous income and is credited as general resources.

Expenditure

9. All expenditure of the Tribunal is recorded against allocated lines of budgetary appropriation.

10. Expenditure of ITLOS is accounted for on an accrual basis, except for that relating to staff entitlements, which is accounted for on the basis of cash disbursements only. No provision is made for staff entitlements for repatriation, accumulated annual leave and compensatory time. Reference is made to Note 3: Contingent liability

Assets

11. All funds received are deposited into the Tribunal's bank accounts, including those under special account arrangements, and reflected as cash holdings. Non-expendable equipment (especially computer hardware and software) is not included in the assets but is charged against the current appropriations when acquired.

Liabilities

12. The liabilities of the Tribunal include contributions received in advance, special accounts and unliquidated obligations.

13. The statement of assets and liabilities includes a special account (United Nations Joint Staff Pension Fund - UNJSPF) maintained for withholdings from staff and contributions of the Tribunal for payment into the United Nations Joint Staff Pension Fund (UNJSPF). These withholdings are for staff and the Organization's share for the period prior to the General Service staff's eligibility to participate in the UNJSPF.

14. A special account (assessment special account) is also been maintained for staff assessment withholdings from the gross remuneration of staff in accordance with the applicable scale of the United Nations.

Note 3: Contingent liability

15. The net contingent liability for staff benefits as at 31 December 1998 is estimated at $209,000, consisting of the following:

Accumulated leave	$ 119,244
Compensatory time	$ 28,438
Repatriation grant	$ 61,318
	$ 209,000

16. There is no provision in the accounts for contingent liability. The expenditures will be charged against the budget appropriations of the periods when actual payments are made. In accordance with ST/IC/1992/18 the contingent liability reflected above is based on net remuneration and does not include staff assessment. This liability might be subject to German Social Security payments (medical insurance and old age care) for German staff.

Note 4: Income

17. The Tribunal's income in the financial period 1998 totalled $6,124,033. Income resulted from contributions of 130 States Parties at the end of 1998. The income comprised a regular budget appropriation for 1998 of US$ 5,767,169 and a supplementary budget appropriation of US$ 356,864 to cover the budget overrun in the financial period 1996/1997. Of the total income listed above, at the end of that financial period an amount of $1,374,073.90 was outstanding from 79 States Parties. In addition to the above there was interest income in the amount of $10,172.34.

Note 5: Expenditures

18. The Tribunal's expenditures for the financial period 1998 were $5,316,769.74.

Note 6: Assets

19. Contributions receivable for the current financial period total $ 1,374,073.90 as of 31 December 1998.

20. As at 31 December 1998, cash totalled $ 1,026,905.95. Included in this amount is a special account for pension withholdings and employer's contribution of $ 11,667.43 and a special account for staff assessment withholdings of $ 450,285.88. These are not expendable resources of the Tribunal.

21. The aggregate of accounts receivable, advances and deposits as at 31 December 1998 totalled $ 2,441,083.01.

Note 7: German Social Security payments

22. German nationals and German residents among the staff are mandatorily required to contribute to the National Social Security System, which has four components. They are Pension, Medical Insurance, Unemployment Insurance and Old Age Care. In addition, the staff members had to contribute to the United Nations Joint Staff Pension Fund to which the Tribunal is a participant. Due to the fact that the host country agreement (Headquarters Agreement) is still not finalized, the Tribunal had to reimburse the employer's share (50 per cent) of the contributions made to the German social security system by the staff, which is in addition to the staff share of the contribution. No reimbursement was made for the unemployment insurance. It is however envisaged that of this amount the pension contribution shall be reimbursed to the staff members by the German authorities, once the agreement is finalized. The staff will be thus obliged to reimburse the Tribunal for the same. Since there is no legal basis yet to capitalize these accounts receivables, it should be noted that total payments in the amount of $64,321 were made during the financial period 1 January to 31 December 1998 out of which an estimated amount of $37,991 is for the pension contributions and is likely to be recovered. In addition a sum of $45,201 is likely to be recovered for the financial period 1996/97.

EXHIBIT 4
Page 1

**FINANCIAL REPORT FOR THE FINANCIAL PERIOD
1 JANUARY TO 31 DECEMBER 1998**

Introduction

1. The Registrar of the International Tribunal for the Law of the Sea submits herewith the financial report for the financial period ended 31 December 1998. It should also be noted that this is the second financial period and the second financial report of the International Tribunal for the Law of the Sea (ITLOS).

2. The financial report includes 2 financial statements, the Notes to the financial statements and Annex I for the financial period ended 31 December 1998. Of these, Statements 1 and 2 are presented in line with the formats agreed for the harmonization of the accounts of agencies and organizations in the United Nations common system, and to facilitate review by States Parties to the United Nations Convention on the Law of the Sea. The financial report provides the financial results of ITLOS' activities in 1998. Highlights are summarized in the following paragraphs.

Income

3. ITLOS income in the financial period 1998 totalled assessed contributions of $6,124,033. Income resulted from contributions of 130 States Parties at the end of 1998. The income consisted of a regular budget appropriation for 1998 of US$ 5,767,169 and a supplementary budget appropriation of US$ 356,864 to cover the budget overrun in the financial period 1996/1997. Of the total income listed above an amount of $1,374,073.90 was outstanding from 79 States Parties. In addition to the above there was interest income in the amount of $10,172.34.

Expenditure

4. ITLOS expenditure for the financial period 1998 was $5,316,769.74. This includes a prior period overrun of $356,864. There were certain savings due to recruitment delay factors and optimizing resources. Cash flow constraints led to the necessary deferment and rescheduling of major acquisitions. Some contested claims were not resolved at the end of the financial period 1996/97 and were carried over to the current financial period. There were some overruns due to inadequate budgetary provisions for essential requirements such as external audit and bank charges.

Special accounts

5. A special account was maintained for the Pension Fund withholdings of the staff members and of the organization's share of pension contributions for the period prior to the General Services staff's eligibility to participate in the United Nations Joint Pension Fund, In addition, a special account was maintained for staff assessment withholdings.

Institutional arrangements

6. Since this is only the organization's second financial period, we are still at the development stage and are instituting more comprehensive systems of checks and balances during this stage. We recognize the need for a computerized accounting system but due to cash liquidity constraints, we had to put off that encumbrance until the end of the year. We plan to implement a computerized accounting system in the next financial period 1999. Limited staffing resources during peak periods further delayed such a conversion.

7. In the light of these limitations, a comprehensive approach had to be taken in recording and reflecting financial transactions and in their reconciliation using the limited computer-related accounting spreadsheet facilities that were available.

(*Signed*)

Gritakumar E. CHITTY
Registrar

EXHIBIT 5

ANNEX 1

INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA
BUDGETARY APPROPRIATIONS COMPARED WITH EXPENDITURES
AND OBLIGATIONS FOR THE PERIOD ENDED 31 DECEMBER 1998

Objects of expenditure	1998 Appropriations	1998 Expenditures & Obligations	Savings/ (Overrun)
RECURRENT EXPENDITURE			
Remuneration of judges	1,971,330.00	1,789,150.84	182,179.16
Established posts	1,794,688.00	1,579,330.80	215,357.20
Common staff costs	624,551.00	442,141.23	182,409.77
Travel of Judges to sessions	250,000.00	141,652.08	108,347.92
Temporary assistance for meetings	149,600.00	149,765.52	(165.52)
Rental and maintenance of equipment	141,400.00	117,696.52	23,703.48
Maintenance of premises	140,000.00	110,098.86	29,901.14
Communications	137,000.00	87,014.74	49,985.26
General temporary assistance	87,000.00	84,163.2	2,836.77
Official travel	82,000.00	80,474.89	1,525.11
Library - procurement of books and Publications	60,000.00	58,753.12	1,246.88
Start - up costs of library	60,000.00	59,918.51	81.49
Supplies and materials	50,600.00	29,424.86	21,175.14
External printing and binding	40,000.00	37,227.99	2,772.01
Overtime	20,000.00	19,999.53	0.47
Representation allowance	7,000.00	6,999.98	0.02
Miscellaneous services	6,000.00	12,079.79	(6,079.79)
Special services	3,000.00	15,000.00	(12,000.00)
Hospitality	3,000.00	2,491.43	508.57
NON-RECURRENT EXPENDITURE			
Purchase of equipment	90,000.00	85,804.05	4,195.95
Purchase of special equipment	50,000.00	50,717.77	(717.77)
SUPPLEMENTARY BUDGET FOR PRIOR YEAR OVERRUN	356,864.00	356,864.00	0.00
TOTAL	6,124,033.00	5,316,769.74	807,263.26

EXHIBIT 6

General Conditions of Assignment

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

1st January 1995

1. **Scope and application**

(1) These conditions are applicable to agreements between Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (hereafter uniformly referred to as "Wirtschaftsprüfer") and their clients concerning audits, advisory work and any other services, as far as these are not otherwise expressly agreed in writing or provided for by non-discretionary legal regulations.

(2) If, in exceptional cases, contractual relations also exist between the Wirtschaftsprüfer and parties other than the client, the provisions of Section 9 below also apply to the relations with such parties.

2. **Scope and execution of assignment**

(1) The object of the Wirtschaftsprüfer's assignment is the performance of agreed services and not the achievement of a particular economic result. The assignment is executed in accordance with generally accepted professional standards. The Wirtschaftsprüfer is entitled to use qualified persons to carry out this assignment.

(2) The application of foreign law requires special written agreement, except in cases of special investigations.

(3) The assignment does not extend - unless expressly stated otherwise - to an examination of due adherence to tax laws or special regulations, e.g. to the law of price control, laws of limitation of competition and other controls; the same applies to determination as to whether grants, allowances or benefits of any other type may be claimed. The execution of an assignment includes only the application of auditing procedures aimed at the disclosure of bookkeeping frauds and other irregularities if during the performance of the audit such requirement becomes apparent, or if this has been expressly agreed in writing.

(4) If the legal position changes after the final professional pronouncement by the Wirtschaftsprüfer, he is not obliged to inform the client of the changes or any resulting consequences. This provision also applies to parts of the assignment which are already completed.

3. **Information to be given by the client**

(1) The client has to see that the Wirtschaftsprüfer even without his specific request is supplied in good time with all the documentary evidence necessary for the execution of the assignment and informed of all

events and circumstances which may have a bearing on the execution of the assignment. This also applies to any evidence, events and circumstances which come to light during the course of the Wirtschaftsprüfer's work.

(2) Upon request of the Wirtschaftsprüfer, the client must confirm in a written statement formulated by the Wirtschaftsprüfer that the evidence, information and explanations supplied are complete.

4. Safeguard of independence

The client undertakes to ensure that no action is committed which might endanger the independence of the Wirtschaftsprüfer's staff. This applies especially to offers of employment and offers to perform professional work on the staff member's own account.

5. Reporting and oral information

If the Wirtschaftsprüfer is obligated to present the results of his work in writing, only that written presentation is authoritative and binding. In the case of audit assignments the report is, unless otherwise agreed, submitted in writing. Oral explanations and information given by the staff of the Wirtschaftsprüfer outside the scope of the assignment are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client warrants that special opinions, organization plans, drafts, sketches, tabulations and calculations, particularly quantity and cost computations, prepared by the Wirtschaftsprüfer within the scope of the assignment, are only used for his own purposes.

7. Release of a Wirtschaftsprüfer's professional statement to third parties

(1) The release to third parties of professional statements made by the Wirtschaftsprüfer (reports, special opinions, etc.) requires the Wirtschaftsprüfer's written consent, unless the terms off the assignment allow release thereof to a designated person.

As to third parties, the Wirtschaftsprüfer is liable (within the limits of Section 8) only if the prerequisites of sentence 1 are satisfied.

(2) The use for advertising purposes of professional statements made by the Wirtschaftsprüfer is not permitted; any infringement entitles the Wirtschaftsprüfer to instant termination of all assignments not yet completed for the client.

8. Correction of deficiencies

(1) The client is entitled to have deficiencies in the Wirtschaftsprüfer's work corrected. Only if the correction fails may the client also claim a reduction of less or cancellation of the contract. If the assignment has been awarded by a merchant within the scope of his commercial activities, by a public-law legal entity or by a public-law fund, the client can only claim cancellation of the contract. If the assignment has been awarded by a merchant within the scope of his commercial activities, by a public-law legal entity or by a public-law fund, the client can only claim cancellation of the contract if the Wirtschaftsprüfer's work, because of the failure in correcting the deficiency, is of no interest to the client.

Claims for additional compensation are dealt with under Section 9.

(2) The client must submit his claim for correction of deficiencies in writing without delay. Claims under Paragraph (1) sentence 1 expire six months after completion of the Wirtschaftsprüfer's professional work.

(3) Obvious errors, such as typing and arithmetical errors and deficiencies of form contained in a Wirtschaftsprüfer's professional statements (report, special opinion, etc.) may be corrected by the Wirtschaftsprüfer at any time also with effect against third parties. Errors which are apt to question the results contained in the Wirtschaftsprüfer's professional statements, entitle the Wirtschaftsprüfer to withdraw such statements also with effect against any third party. In such cases the Wirtschaftsprüfer should, if practicable, first hear the client.

9. Liability

(1) With regard to audits required by law, the liability limitations set out in § 323 par. (2) Commercial Code apply.

(2) Liability in cases of negligence: Single cases of damages

Pursuant to § 54a par. (1) no. 2 Law regulating the Profession of Wirtschaftsprüfer (WPO) the liability of the Wirtschaftsprüfer for damages of any kind, whether it is joint or several liability, is limited in a single case of damages due to negligence DM 2 million; this limitation also applies to liability to a person other than the client. A single case of damage is defined as the total sum of the damage claims of all persons entitled to claim, which arise from one and the same professional error (offence); a single case of damage is also defined as the total of all offences committed in performing an audit or other coherent service (a specifiable professional service which technically represents an undivisible performance) by one or more persons. However, in the case of damage suffered from several audits of the same kind or several coherent services of similar nature a Wirtschaftsprüfer can be held liable only up to an amount of DM 2,5 million irrespective of whether the damage were caused by offences within one year or within several consecutive years.

(3) Limitation periods

A damages claim may only be lodged within twelve months of the claimant becoming aware of the damage and of the event constituting the claim, at the very latest, however, within 5 years following the event constituting the claim. The claim expires unless legal action is taken within six months following the written refusal of acceptance of the correction and the client was informed of this consequence. The right to apply the statute of limitations is not prejudiced. This paragraph (3) applies equally to audits required by law with legally-imposed liability limitations.

10. Supplementary provisions relating to audits

(1) A subsequent amendment or abridgement of the audited and certified financial statements or management report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. In cases where the Wirtschaftsprüfer has not issued an audit opinion,

reference to the Wirtschaftsprüfer's examination may only be made in the management report or other publications with his written consent and then only with a wording authorized by him.

(2) If the Wirtschaftsprüfer revokes his opinion, it must no longer be used. If the client has already made use of the opinion, he must announce its revocation upon the request of the Wirtschaftsprüfer.

(3) The client is entitled to 5 copies of the report. Additional copies are charged for separately.

11. Supplementary provisions relating to tax advisory services

(1) When advising the client on a particular tax problem or when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts, especially figures, provided by the client are complete and correct; this also applies to bookkeeping assignments. He is, however, obliged to inform the client of any errors discovered by him.

(2) The assignment for tax advisory services does not comprise those services required for meeting deadlines, except in cases where the Wirtschaftsprüfer has specifically accepted such assignment. In such cases the client must supply the Wirtschaftsprüfer with all documents essential for meeting deadlines, especially with tax assessment, with sufficient time for the Wirtschaftsprüfer to give them adequate attention.

(3) In the absence of other written agreements, a continuous tax advice assignment covers the following work arising during the period of the agreement:

a) preparation of the annual income, corporation and trade tax returns as well as property tax returns on the basis of financial statements and other records and evidence required for tax purposes, to be submitted by the client

b) review of assessments concerning the taxes mentioned in (a)

c) negotiations with the tax authorities with regard to the returns and assessments mentioned in (a) and (b)

d) participation in tax audits and evaluation of the results of tax audits concerning the taxes mentioned in (a)

e) participation in appeals and complaints filed with the Fiscal Authorities ("Einspruchsverfahren" and "Beschwerdefahren"), concerning the taxes mentioned in (a).

When undertaking the aforementioned work the Wirtschaftsprüfer takes into account major published legal decisions and the administration's opinion.

(4) In cases where the Wirtschaftsprüfer receives a retainer fee for continuous advice, the work mentioned in paragraph 3 (d) and (e) is chargeable separately unless otherwise agreed in writing.

(5) A special agreement is required to engage the Wirtschaftsprüfer's services on particular individual problems with regard to income, corporation and trade tax, the valuation procedures for property taxation, property tax, as well as all problems concerning turnover tax, wages tax and any other taxes and dues. This also applies to:

a) the treatment of non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, real estate acquisition tax

b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings concerning taxes, and

c) granting of advice and expert opinions in connection with conversions, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of businesses, liquidations and similar matters.

(6) If, in addition to the above, the Wirtschaftsprüfer is requested to prepare the annual turnover tax return, he is not obliged to examine adherence to special accounting requirements, if any, or to determine whether the client has taken full advantage of all benefits offered under the turnover tax law. No guarantee is assumed for the completeness of the evidence compiled in substantiation of the credit against the client's turnover tax liability for his suppliers' turnover tax charge.

12. Professional discretion towards third parties and data protection

(1) The Wirtschaftsprüfer is, as provided by law, obliged to treat all matters which come to his knowledge in connection with his engagement as confidential, irrespective of whether these matters concern the client himself or his business connections, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer is not allowed to release reports, special opinions and other written statements on the results of his work to third parties without the consent of his client.

(3) The Wirtschaftsprüfer is entitled - within the framework of his assignment- to process personal data made available to him or to authorize third parties to process them.

13. Default of acceptance and lack of cooperation on the part of the client

If the client is in default of accepting the services offered by the Wirtschaftsprüfer or if the client refrains from the cooperation incumbent on him in accordance with Section 3 or otherwise, the Wirtschaftsprüfer is entitled to terminate the agreement without notice. The right of the Wirtschaftsprüfer to compensation of additional expenses as well as damages caused by default or by the client's failure to co-operate is not prejudiced, even if the Wirtschaftsprüfer does not exercise his right to terminate the agreement.

14. Remuneration

(1) In addition to his fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his expenses; the value added tax is billed separately. He may request appropriate advances on account of remuneration and expenses and may withhold the results of his services until full payment of his claims has been made. If there is more than one client, they are jointly and severally liable.

(2) Any set-off against claims of the Wirtschaftsprüfer for remuneration and reimbursement of

expenses is only permitted in the case of undisputed or legally settled claims.

15. Storage and return of documentation

(1) The Wirtschaftsprüfer shall retain, for a period of seven years, the documents handed over to him or prepared by himself in connection with the performance of the assignment as well the correspondence concerning the assignment.

(2) After settlement of his claims arising from the assignment, the Wirtschaftsprüfer, on request of the client, has to return all documents obtained from the client or from a third party on his behalf by reason of his assignment. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer is entitled to prepare and retain copies or photocopies of any documents which he returns to the client.

16. Applicable law

The assignment of the Wirtschaftsprüfer, the execution of the assignment and the resulting claims are solely governed by German law.

Special Conditions

Special conditions for the increase of the maximum liability limits under the "General Conditions of Assignment" as of 1 January 1995 are as follows:

The limitations of DM 2 million and DM 2.5 million, respectively, as provided for in No. 9 para. 2 of the "General Conditions of Assignment" of the Institute of Accountants (Institut der Wirtschaftsprüfer e.V.) as of 1 January 1995 are substituted by the amount of DM 10 million.

Further, the following shall apply with respect to the increased liability sum:

If, in the engaging party's opinion, the foreseeable engagement risk will be considerably greater than DM 10 million, ARTHUR ANDERSEN Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft mbH (ARTHUR ANDERSEN) is obligated, as engaged party, at the request of the engaging party to offer to that party the option of an increased liability limit if and to the extent that liability insurance for the increased amount can be obtained from a German professional liability insurer. Upon the agreement of an increased liability limit, ARTHUR ANDERSEN is entitled to charge for the insurance premium as part of its fees or as expense.

The above-mentioned provisions are not applicable when either a greater or lesser liability limit has been defined by law for the respective professional service, namely in connection with statutory audits.

If various causes of a sustained damage concur, ARTHUR ANDERSEN is liable within the scope of the increased liability limit only to the extent that causation can be attributed to ARTHUR ANDERSEN or its employees in relation to causation by others: This especially applies in the case of a joint engagement with other auditors.

United Nations Convention on the Law of the Sea SPLOS/52

Meeting of States Parties

Distr.: General
5 May 2000

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Tenth Meeting
New York, 22-26 May 2000

Letter dated 5 May 2000 from the Chairman of the Commission on the Limits of the Continental Shelf addressed to the President of the Tenth Meeting of States Parties

1. In a letter dated 3 June 1999 (SPLOS/49) from the President of the Ninth Meeting of States Parties addressed to the Chairman of the Commission on the Limits of the Continental Shelf (CLCS) concerning the issue of financing the participation of members from the developing countries in the work of CLCS, the Commission was informed that in order to formulate any recommendations on this issue, the Meeting needs detailed factual information in writing from the Commission regarding actual needs and financial estimates for each session, and that without that information it would be difficult to take any action.

2. The Secretariat provided the Commission with the estimated costs for the establishment of a trust fund (CLCS/16). The Commission took note of these estimates and requested that the relevant information be submitted to the President of the Tenth Meeting of States Parties.

3. In the period 1997-1999 the Commission held biannual sessions each year: one session lasting two weeks and one lasting one week. In the year 2000, the Commission convened a week-long session (1-5 May), and intends to meet the second time for one week from 28 August to 1 September. The estimated cost of air travel of members of the Commission from developing countries for two sessions amounts to US$ 70,000. The cost of daily subsistence allowance (DSA) (US$ 275 per day) for two sessions, two weeks in total, amounts to US$ 50,050. The estimated cost of both travel and DSA combined for two one-week sessions per year amounts to a total of US$ 120,050.

4. The Commission noted from the same letter that several delegations at the Ninth Meeting had expressed their wish to be apprised of the activities of the Commission. The President of the Meeting suggested that the Chairman consider bringing his statements on the work of the Commission to the attention of the Meetings of States Parties. I would like to inform you that these statements will continue to be available to the delegations at the Meeting of States Parties, as are other documents of relevance to the work of the Meeting.

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5. I would also like to request that you bring to the attention of the States Parties to the Convention that on 1 May 2000, the Commission held its first Open Meeting. One of its aims was to raise the awareness of States of the provisions of article 76 of the Convention relating to the establishment of the outer limits of the continental shelf beyond 200 nautical miles, bearing in mind the requirement of the Convention to submit particulars of such limits to the Commission within 10 years from the entry into force of the Convention for that State. The agenda of the Open Meeting (CLCS/20) and the introductory statement of the Chairman of the Commission made at the Open Meeting (CLCS/INF/2) are available.

6. The Commission is currently ready to receive submissions from coastal States. In order to facilitate the preparation of those submissions, I would like to call the attention of States to the basic documents of the Commission related to those preparations, namely the Rules of Procedure (CLCS/3/Rev.2), Modus Operandi (CLCS/L.3) and the Scientific and Technical Guidelines (CLCS/11, CLCS/11 and Corr.1 and Add.1 and Add.1/Corr.1), which will be available to participants during the Meeting of States Parties.

(*Signed*) Yuri B. **Kazmin**
Chairman of the Commission on the Limits of the Continental Shelf